



COUNCIL AGENDA: 06-05-07
ITEM: 2.9(b)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Paul Krutko

SUBJECT: See below

DATE: May 14, 2007

Approved

Deanna Antre

Date

5/17/07

COUNCIL DISTRICT: 6

**SUBJECT: PRELIMINARY APPROVAL OF 2007-2008 BUDGET REPORT,
ADOPTION OF RESOLUTION OF INTENTION TO LEVY 2007-2008
ASSESSMENTS IN THE WILLOW GLEN BUSINESS IMPROVEMENT
DISTRICT, AND SETTING OF A DATE AND TIME FOR THE PUBLIC
HEARING ON THE LEVY OF ASSESSMENTS**

RECOMMENDATION

Preliminary approval of the report as filed by the Willow Glen Business Improvement District Advisory Board, or as modified by Council; and adoption of a resolution of intention to levy the annual assessment for 2007-2008, and set June 19, 2007 at 1:30 p.m. as the date and time for the public hearing on the levy of the proposed assessments.

OUTCOME

Approval of this action will result in a resolution of intention to levy the assessments for the upcoming fiscal year of the Willow Glen Business Improvement District and set a time and date for the public hearing.

BACKGROUND

The Willow Glen Business Improvement District ("The BID") was established by Council in 1983 pursuant to the California Parking and Business Improvement Area Law ("BID Law") to promote the economic revitalization and physical maintenance of the Willow Glen business district. In 1984, the Council appointed the Willow Glen Business and Professional Association

as the Advisory Board ("Advisory Board") for the BID, to advise the Council on the levy of assessments in the BID and the expenditure of revenues derived from the assessments.

Pursuant to the BID Law, the Advisory Board must come before the Council on an annual basis to present a report to the Council that proposes a budget for the upcoming fiscal year for the BID. The Council must then: 1) review the report and preliminarily approve it as proposed or as changed by the Council; 2) adopt a resolution of intention to levy the assessments for the upcoming fiscal year; and 3) set a date and time for the public hearing on the levy of assessments in the BID. Absent a majority protest at the public hearing, at the conclusion of the public hearing the Council may adopt a resolution approving the budget for Fiscal Year 2007-2008 as filed or as modified by the Council. The adoption of the resolution constitutes the levying of the Willow Glen BID assessments for Fiscal Year 2007-2008.

ANALYSIS

The Advisory Board has prepared a budget report (the "report"), attached hereto, for the Council's consideration as the budget for the Willow Glen BID for Fiscal Year 2007-2008. As required by BID Law, the report has been filed with the City Clerk and contains, among other things, a list of the improvements, activities, and associated costs proposed in the BID in Fiscal Year 2007-2008. The Advisory Board has recommended no change in the BID boundaries or the method and basis for levying assessments. The proposed assessments in the BID for Fiscal Year 2007-2008 are the same as the assessments in Fiscal Year 2006-2007.

PUBLIC OUTREACH/INTEREST

The budget for Fiscal Year 2007-2008 was reviewed and approved by the Advisory Board on April 10, 2007.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Finance Department, Willow Glen Business & Professional Association and the City Clerk's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Economic Development Strategy approved by the Council, specifically Initiative No. 5, "Support Start up and Growth of Local Businesses, in Tech as well as Non-Tech fields" and Initiative No. 13, "Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability." A healthy Business Improvement District will encourage growth of the retail community and consequently result in additional sales tax revenue for the City.

COST SUMMARY/IMPLICATIONS

Adoption of the proposed BID budget does not impact City revenue. BID assessments are restricted for use exclusively by the BID. It is anticipated that a healthy Business Improvement District will encourage growth of the retail community and consequently result in additional business tax and sales tax revenue for the City.

CEQA

CEQA: Exempt, PP03-05-165



PAUL KRUTKO
Chief Development Officer
Phone # (408) 535-8181

Attachment



WILLOW GLEN BUSINESS & PROFESSIONAL ASSOCIATION

2007-2008 Budget Report
Willow Glen Business Improvement District

2007-08 Board of Directors

*Michael Mulvihy, President
NewGen Partners LLP*

*Martin Bamberg, Vice President
MBA Architects*

*Kathie Swanson, Treasurer
Edward Jones & Co.*

*Linda Wabry, Secretary
Park Place Village*

*Stan Harris
at... growth, inc.*

*Lisa Hayashi
Countrywide Home Loans*

*Sophia Niu
Taiwan Restaurant*

*Eva O'Leary
Prudential CA Realty*

*Ernie Pyle
Casa Casa*

*Gary Rowel
Gardenview Lounge*

*Tom Trudell
Truberg Associates LLP*

*Executive Director
Norma Rutz*

PO Box 8086
San Jose, CA 95155-8086
Phone: 408-298-2100
Website: DowntownWillowGlen.org



BACKGROUND

The Willow Glen Business Improvement District (BID) was established by the Council in 1983 for the purpose of promoting and improving the Willow Glen Business District. In 1984 the Council appointed the Willow Glen Business and Professional Association as the contractor responsible for the execution of the Agreement By and Between the Willow Glen Business and Professional Association and the City of San José for the Operation and Administration of the Willow Glen Business Improvement District, dated April 24, 1984.

BID BOUNDARIES

The current address range for the Willow Glen BID is as follows:

Minnesota Avenue	1093
Willow Street	1072-1115
Lincoln Avenue	1000-1401
Brace Avenue	1110-1114

GOALS AND ACTIVITIES FOR FY 2007-2008

Based on the 8-year Strategic Plan, the Board of Directors has established the following goals and activities for this fiscal year:

1. The promotion of the Willow Glen business community by producing successful events.
 - a. The development of partnerships with organizations to bring existing events to downtown Willow Glen, such as the Italian Festa
 - b. A Founder's Day Parade
 - c. The 13th year of Dancin' on the Avenue
 - d. Continue promotion of the Farmers' Market
2. Develop a communication program for the business membership.
 - a. Develop and distribute quarterly printed newsletters to membership
 - b. Develop and send monthly e-newsletter to membership
 - c. Continue the Business Ambassador Program
 - d. Schedule quarterly educational and social meetings for membership
3. Develop a positive identify for the Willow Glen business community through website, advertising and promotions.
 - a. Implement the cooperative advertising program based on annual calendar
 - b. Implement an annual promotional calendar to include: Sidewalk Sale, Halloween Program, Holiday Program
 - c. Continue the branding project
 - d. Maintain the www.DowntownWillowGlen.org site to feature current information and develop web advertising program
4. Facilitate beautification and maintenance activities
 - a. Provide regular sidewalk power washings
 - b. Maintain holiday decorations and nighttime garland lights and tree lights
 - c. Maintain landscaping in planter boxes

5. Increase retail and restaurant business recruitment
 - a. Work with property owners to implement a shared parking program

USE OF BID FEES

The total projected cost of providing BID programs and activities for the fiscal year 2007-2008 is \$340,438. BID revenue is projected at \$120,000, which will cover 35% of the costs for the programs and activities. The BID funds will be used to support the following programs and activities:

- Advertising and Promotions
- Avenue Maintenance and Cleanliness
- Holiday Decorations
- Overhead expenses – staffing, office supplies and maintenance, insurance
- Events
- Membership programs – newsletters, socials, meetings, ambassador program

LEVYING THE ASSESSMENTS

The current method and basis for levying the annual assessment are as follows:

Category	Rate	
Banks/Savings	\$ 825	
Retail/Restaurants	\$ 400	
Non-retail/Professional/Non-profit	\$ 275	
Property Owner (assessed per building by sf)		
Single buildings less than 10,000 sf	\$ 275	
Single buildings 10,000 sf to 20,000 sf	\$ 525	
Single buildings over 20,000 sf	\$ 800	
Independent Contractors (Stylists, Aestheticians, Sub lessees)	\$ 100	

Businesses which fall into more than one category will be assessed on the category producing the highest revenue for the BID.

INCOME		
Estimated BID Income	\$120,000	
Donations Cash	\$60,500	
Donations In-kind	\$33,518	
Grants	\$14,000	
Member Dues (Assoc)	\$1,000	
Merchant Event/Program Fees	\$34,500	
Program Revenues	\$77,200	
	Total	\$340,718
	Income	
EXPENSES		
Member Services		
Mixers/Annual Meeting	\$2,200	
Newsletter	\$2,400	
Ambassador Program	\$700	
	subtotal	\$5,300
Administrative Operating Expenses		
Liability Insurance	\$2,000	
Meetings	\$100	
Office Supplies/Postage/Printing	\$1,200	
Personnel	\$60,000	
Professional Fees	\$1,000	
Rent	\$9,740	
Taxes	\$10	
Telephone	\$1,500	
	subtotal	\$75,550
Promotional Activities & Special Event Advertising		
Advertising/Promotions	\$53,100	
Business Directory	\$13,028	
Website	\$5,160	
DOTA	\$95,000	
Italian Festa	\$15,000	
Founder's Day	\$17,000	
Farmer's Market	\$1,500	
Halloween	\$400	
Holiday	\$21,800	
	subtotal	\$221,988
Beautification		
Clean & Maintain	\$26,300	
Seasonal Decorations	\$11,300	
	subtotal	\$37,600
	Total	\$340,438
	Expenses	
Estimated carryover for 2008-09		\$280